RULE ADOPTIONS

OTHER AGENCIES
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

44 N.J.R. 1644(a)

Adopted Amendments: N.J.A.C. 19:30-6.2 and 6.3; 19:31-3.1 and 6.2

Administrative Rules

Fees

Authority Assistance Programs

Direct Loan Program; Main Street Business Assistance Program

Proposed: February 21, 2012 at 44 N.J.R. 433(a).

Adopted: April 24, 2012 by New Jersey Economic Development Authority, Caren S. Franzini, Chief Executive Officer.

Filed: April 24, 2012 as R.2012 d.101, **without change**.

Authority: N.J.S.A. 34:1B-1 et seq.

Effective Date: May 21, 2012.

Expiration Date: November 9, 2017.

Summary of Public Comment and Agency Response:

No comments were received.

Federal Standards Statement

A Federal standards analysis is not required because the adopted amendments are not subject to any Federal requirements or standards.

Full text of the adoption follows:

CHAPTER 30
ADMINISTRATIVE RULES

SUBCHAPTER 6.   FEES

19:30-6.2   Commitment fees

(a) A non-refundable commitment fee of .875 percent of a direct loan amount is charged with the acceptance by an applicant of a direct loan commitment from the Authority, except for any other financing under the Premier Lenders Program, wherein a non-refundable commitment fee of $ 750.00 shall be charged with the acceptance by an applicant.

(b)-(g) (No change.)

19:30-6.3   Closing fees

(a) (No change.)

(b) For guaranteed Authority-issued bonds or guaranteed financing under the Premier Lenders Program, the guarantee fee, to be paid at closing, shall not exceed 50 basis points as determined by the initial amount of the guaranteed portion of the financing in order that the fee percentage will correspond to the percentage guarantee required (for example, a 25 percent guarantee would incur a guarantee fee of 25 basis points, a 50 percent guarantee would incur a guarantee fee of 50 basis points) multiplied by the number of years the guarantee is to be in effect. This fee is in addition to the fee described in (a) above if the Authority's guarantee relates to repayment of a bond issued by the Authority.

(c) (No change.)

(d) For direct loans from the Authority, the fee, to be paid at closing, is .875 percent of the loan amount. For direct loans under the Edison Innovation Angel Growth Fund, the Edison Innovation VC Growth Fund, and the Edison Innovation Growth Stars Fund, the fee to be paid at closing is .75 percent of the loan amount. For direct loans under the Small Business Fund, the fee to be paid at closing is .5 percent of the loan amount. For direct loans under N.J.S.A. 34:1B-47 et seq., the fee to be paid at closing is one-half of one percent of the total amount of the direct loan.

(e)-(i) (No change.)

CHAPTER 31
AUTHORITY ASSISTANCE PROGRAMS

SUBCHAPTER 3.   DIRECT LOAN PROGRAM

19:31-3.1   Program description

(a) (No change.)

(b) Except as otherwise provided in this subsection, direct loans are available in a maximum amount of $ 1,250,000 for fixed asset financing and $ 750,000 for working capital.

1.-6. (No change.)

7. For the Loans to Lenders component of the Fund for Community Economic Development, the maximum loan amount will not exceed $ 750,000, except that Loans to Lenders may be used to develop grocery stores and supermarkets with a maximum loan amount of $ 3 million, provided that no more than $ 4 million will be used for this purpose. For the pre-development assistance component of the Fund for Community Economic Development, the maximum loan amount will not exceed $ 50,000 per project.

(c)-(m) (No change.)

SUBCHAPTER 6.   MAIN STREET BUSINESS ASSISTANCE PROGRAM

19:31-6.2   Terms of financial assistance

(a) Under the Main Street Business Assistance Program, the Authority may provide direct loan, loan participation and/or guarantee products and line of credit guarantee products.

1.-2. (No change.)

3. For the line of credit product, the maximum amount will be $ 500,000, not to exceed 50 percent of the total transaction.

(b)-(d) (No change.)